

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2531

Introduced by Assembly Member Goldberg

February 23, 2006

An act to amend Sections 42238 ~~and 42238.1 of,~~ 42238.1, 42238.15, and 62000.2 of, to repeal Sections 42238.41, 42238.43, 42238.44, ~~42238.445, and 42238.46 of, and~~ and 42238.445 of, and to repeal Article 4 (commencing with Section 54040) of Chapter 1 of Part 29 of, to repeal and add ~~Section 42238.45 of,~~ Sections 42238.45 and 42238.46 of, and to repeal and add Article 2 (commencing with Section 54020) to Chapter 1 of Part 29 of, the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 2531, as amended, Goldberg. Education finance: ~~revenue limits.~~

(1) Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula based on the base revenue limit of school district for the prior year, adjusted for inflation, and the average daily attendance for the entire school district, as specified.

This bill would, commencing with the 2007–08 fiscal year, change the method for calculating revenue limits for school districts. The bill would use the base revenues, as defined, for the 2005–06 fiscal year to calculate a base revenue amount per unit of average daily attendance for the 2007–08 fiscal year. The bill would calculate the revenue limit per school district for each fiscal year beginning with 2007–08 using the base revenue per unit of average daily attendance, a specified inflation adjustment, the average daily attendance in each grade span

of the district, and the corresponding weighting factor for each grade span in the district, *as well as a specified declining enrollment adjustment, if applicable*. This bill also would establish a new equalization method for the new base revenue per unit of average daily attendance amounts, as specified.

(2) *Existing law includes provisions authorizing the allocation of economic impact aid funding that became inoperative as of June 30, 1987, and other provisions that became operative after the sunset date for the program.*

This bill would repeal and replace the existing provisions regarding the calculation and allocation of economic impact aid, as specified, and would replace the usage of Aid to Families with Dependent Children as the identification tool for economically disadvantaged pupils with the same measurement used by the state to calculate the number of pupils eligible for funding under Title I of the federal No Child Left Behind Act of 2001, as specified. The bill would limit the usage of economic impact aid funding to schoolsites with economically disadvantaged pupils, rather than low-achieving pupils, and English language learners.

(3) This bill also would make conforming changes by repealing obsolete provisions of law or, deleting obsolete references from, and making technical, nonsubstantive changes to, existing provisions of law.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 42238 of the Education Code is
2 amended to read:
3 42238. (a) For each fiscal year up to and including the
4 2006–07 fiscal year, the county superintendent of schools shall
5 determine a revenue limit for each school district in the county
6 pursuant to this subdivision.
7 (1) The base revenue limit for a fiscal year shall be determined
8 by adding the inflation adjustment specified in subdivision (a) of
9 Section 42238.1 to the base revenue limit for the prior fiscal year.
10 (2) The base revenue limit computed pursuant to ~~subdivision~~
11 ~~(b)~~ *paragraph (1)* shall be multiplied by the district average daily
12 attendance computed pursuant to Section 42238.5.

1 (3) For districts electing to compute units of average daily
2 attendance pursuant to paragraph (2) of subdivision (a) of Section
3 42238.5, the amount computed pursuant to Article 4
4 (commencing with Section 42280) shall be added to the total
5 revenue limit amount computed in paragraph (2).

6 (b) For the 2007–08 fiscal year, the county superintendent of
7 schools shall determine a revenue limit for each school district in
8 the county pursuant to this subdivision. Each school district shall
9 have a revenue limit computed based on the grade spans included
10 within the district and the average daily attendance of pupils in
11 each of those grade spans.

12 (1) The revenue limit for a school district shall be equal to the
13 sum of the revenue limits computed for each grade span included
14 within the school district.

15 (2) The revenue limit for a grade span shall be equal to the
16 product of all of the following:

17 (A) The base revenue per unit of average daily attendance
18 shall be equal to the sum of the following:

19 (i) The 2006–07 fiscal year base revenue amount of the school
20 district that equals the base revenues for the 2006–07 fiscal year
21 for the school district divided by the sum of the calculations
22 completed for each grade span of the school district. Each grade
23 span calculation is equal to the product of the average daily
24 attendance in the district for the 2006–07 school year in the grade
25 span and the corresponding weighting factor for that grade span.
26 For purposes of this clause, “base revenues for the 2006–07 fiscal
27 year” means the sum of the following:

28 (I) Revenue limit funding received pursuant to Section 42238
29 for the 2006–07 fiscal year, including any adjustments related to
30 Public–~~Employers’~~ Employees’ Retirement System employer
31 contributions pursuant to Section 42238.12.

32 (II) Funding for the Meals for Needy Pupils programs (Article
33 11 (commencing with Section 49550) of Chapter 9 of Part 27)
34 received pursuant to Section 42241.2.

35 ~~(III) Funding for new continuation education high schools~~
36 ~~received pursuant to Section 42243.7.~~

37 ~~(IV)–~~

38 ~~(III)~~ Incentives for longer instructional day and year pursuant
39 to Article 8 (commencing with Section 46200) of Chapter 2 of
40 Part 26.

1 ~~(V)~~—
2 (IV) Incentives to increase the salaries of beginning teachers
3 pursuant to Section 45023.4.
4 ~~(VI)~~—
5 (V) Unemployment insurance adjustment revenues received
6 pursuant to Section 42241.7.
7 (ii) The inflation adjustment calculated pursuant to subdivision
8 (b) of Section 42238.1.
9 (B) The average daily attendance for the grade span of the
10 school district in the 2006–07 fiscal year.
11 (C) The appropriate weighting factor for the grade span as
12 specified in subdivision (g).
13 (c) Commencing with the 2008–09 fiscal year, the county
14 superintendent of schools shall compute a revenue limit for each
15 school district in the county pursuant to this subdivision.
16 (1) The revenue limit for a school district shall be equal to the
17 sum of the revenue limits computed for each grade span included
18 within the school district.
19 (2) The revenue limit for a grade span shall be equal to the
20 product of all of the following:
21 (A) The sum of the following:
22 (i) The base revenue per unit of average daily attendance for
23 the school district for the prior fiscal year. When the prior fiscal
24 year is 2007–08, this amount shall be equal to the amount
25 calculated in subparagraph (A) of paragraph (2) of subdivision
26 (b). When the prior fiscal year is 2008–09 or thereafter, this
27 amount shall be equal to the amount calculated pursuant to this
28 subparagraph for that prior fiscal year.
29 (ii) *The declining enrollment adjustment calculated pursuant*
30 *to Section 44238.46, if applicable.*
31 ~~(ii)~~—
32 (iii) The inflation adjustment calculated pursuant to
33 subdivision (b) of Section 42238.1.
34 (B) The average daily attendance for the grade span in the
35 school district in the prior fiscal year.
36 (C) The appropriate weighting factor for the grade span as
37 specified in subdivision (g).
38 (d) The Superintendent shall apportion to each school district
39 the amount determined in this section less the sum of:

1 (1) The property tax revenue of the district received pursuant
2 to Chapter 3 (commencing with Section 75) and Chapter 6
3 (commencing with Section 95) of Part 0.5 of Division 1 of the
4 Revenue and Taxation Code.

5 (2) The amount, if any, received pursuant to Part 18.5
6 (commencing with Section 38101) of Division 2 of the Revenue
7 and Taxation Code.

8 (3) The amount, if any, received pursuant to Chapter 3
9 (commencing with Section 16140) of Part 1 of Division 4 of Title
10 2 of the Government Code.

11 (4) Taxes from prior years and taxes on the unsecured roll.

12 (5) Fifty percent of the amount received pursuant to Section
13 41603.

14 (6) The amount, if any, received pursuant to the Community
15 Redevelopment Law (Part 1 (commencing with Section 33000)
16 of Division 24 of the Health and Safety Code), except for any
17 amount received pursuant to Section 33401 or 33676 of the
18 Health and Safety Code that is used for land acquisition, facility
19 construction, reconstruction, or remodeling, or deferred
20 maintenance, except for any amount received pursuant to Section
21 33492.15, paragraph (4) of subdivision (a) of Section 33607.5, or
22 Section 33607.7 of the Health and Safety Code that is allocated
23 exclusively for educational facilities.

24 (7) For a unified school district, other than a unified school
25 district that has converted all of its schools to charter status
26 pursuant to Section 47606, the amount of statewide average
27 general-purpose funding per unit of average daily attendance
28 received by school districts for each of four grade level ranges, as
29 computed by the department pursuant to Section 47633,
30 multiplied by the average daily attendance, in corresponding
31 grade level ranges, of any pupils who attend charter schools
32 funded pursuant to Chapter 6 (commencing with Section 47630)
33 of Part 26.8 for which the district is the sponsoring local
34 educational agency, as defined in Section 47632, and who reside
35 in and would otherwise have been eligible to attend a noncharter
36 school of the district.

37 (e) A transfer of seventh and eighth grade pupils between an
38 elementary school district and a high school district shall not
39 result in the receiving district receiving a revenue limit
40 apportionment for those pupils that exceeds 105 percent of the

1 statewide average revenue limit for the type and size of the
2 receiving school district.

3 (f) Except as provided in this section, adjustments to the
4 revenue limit for a school district for the 2007–08 fiscal year and
5 any fiscal year thereafter shall not be made based on the
6 provisions specified in subclauses (I) to ~~(VI)~~ (V), inclusive, of
7 clause ~~(i)~~ of (i) of subparagraph (A) of paragraph (2) of
8 subdivision (b).

9 (g) For the purposes of this section, the following terms have
10 the following meanings:

11 (1) “Grade span” means the appropriate grouping of the
12 following three groupings of grade levels, but “grade spans”
13 means one or more of the following groupings of grade levels, as
14 appropriate for a specific school district:

15 (A) Kindergarten and grades 1 to 5, inclusive.

16 (B) Grades 6 to 8, inclusive.

17 (C) Grades 9 to 12, inclusive.

18 (2) ~~“Weighting”~~ “Weighting factor” means one of the
19 following, as appropriate:

20 (A) 1.00 for kindergarten and grades 1 to 5, inclusive.

21 (B) 1.04 for grades 6 to 8, inclusive.

22 (C) 1.20 for grades 9 to 12, inclusive.

23 SEC. 2. Section 42238.1 of the Education Code is amended to
24 read:

25 42238.1. (a) For each fiscal year up to and including the
26 2006–07 fiscal year, the Superintendent shall compute an
27 inflation adjustment equal to the product of paragraphs (1) and
28 (2):

29 (1) Compute the sum of the following:

30 (A) The statewide average base revenue limit per unit of
31 average daily attendance for the prior fiscal year for districts of
32 similar type.

33 (B) The amount, if any, per unit of average daily attendance
34 received by the district pursuant to Article 8 (commencing with
35 Section 46200) of Chapter 2 of Part 26 for the prior fiscal year.

36 (2) The percentage change in the annual average value of the
37 Implicit Price Deflator for State and Local Government
38 Purchases of Goods and Services for the United States, as
39 published by the United States Department of Commerce for the
40 12-month period ending in the third quarter of the prior fiscal

1 year. This percentage change shall be determined using the latest
2 data available as of May 10 of the preceding fiscal year
3 compared with the annual average value of the same deflator for
4 the 12-month period ending in the third quarter of the second
5 preceding fiscal year, using the latest data available as of May 10
6 of the second preceding fiscal year, as reported by the
7 Department of Finance.

8 (b) Commencing with the ~~2007~~
9 ~~08~~ 2007–08 fiscal year, the Superintendent shall compute an
10 inflation adjustment, equal to the sum of the following:

11 (1) The statewide average base revenue limit per unit of
12 average daily attendance for the prior fiscal year.

13 (2) The percentage change in the annual average value of the
14 Implicit Price Deflator for State and Local Government
15 Purchases of Goods and Services for the United States, as
16 published by the United States Department of Commerce for the
17 12-month period ending in the third quarter of the prior fiscal
18 year. This percentage change shall be determined using the latest
19 data available as of May 10 of the preceding fiscal year
20 compared with the annual average value of the same deflator for
21 the 12-month period ending in the third quarter of the second
22 preceding fiscal year, using the latest data available as of May 10
23 of the second preceding fiscal year, as reported by the
24 Department of Finance.

25 *SEC. 3. Section 42238.15 of the Education Code is amended*
26 *to read:*

27 42238.15. (a) Notwithstanding any other provision of law,
28 and in lieu of any inflation or cost-of-living adjustment otherwise
29 authorized for any of the programs enumerated in subdivision
30 (b), state funding for the programs enumerated in subdivision (b)
31 shall be increased annually by the product of the following:

32 (1) The sum of 1.0 plus the percentage change determined
33 under subdivision (a) or (b) of Section 42238.1, *whichever is*
34 *applicable*.

35 (2) The sum of 1.0 plus the percentage of increase, from the
36 prior fiscal year to the current fiscal year, in each of the workload
37 factors described in subdivision (b).

38 (b) The programs for which annual state funding increases are
39 determined under this section, and the factors used to measure
40 workload for each of those programs, are as follows:

1 (1) Special education programs and services, as measured by
2 the regular second principal apportionment average daily
3 attendance for kindergarten and grades 1 to 12, inclusive.

4 (2) Child care and development programs, and preschool
5 programs, as measured by the state population of children up to
6 and including four years of age.

7 (3) Instructional materials for kindergarten and grades 1 to 8,
8 inclusive, as measured by enrollment in kindergarten and grades
9 1 to 8, inclusive.

10 (4) Instructional materials for grades 9 to 12, inclusive, as
11 measured by enrollment in those grades.

12 (5) Regional occupational programs and centers, as measured
13 by enrollment in grades 11 and 12.

14 (6) School improvement programs in kindergarten and grades
15 1 to 6, inclusive, as measured by enrollment in kindergarten and
16 grades 1 to 6, inclusive.

17 (7) School improvement programs in grades 7 to 12, inclusive,
18 as measured by enrollment in those grades.

19 (8) Economic impact aid, as measured by the number of
20 ~~children of ages 5 to 17 years, inclusive, from families that~~
21 ~~receive Aid to Families with Dependent Children and the number~~
22 ~~of pupils of limited English proficiency economic impact~~
23 ~~aid-eligible pupils for all school districts~~, as identified pursuant
24 to ~~subdivision (a) of Section 52163~~ 54021 for each school
25 district.

26 (9) Staff development programs, as measured by enrollment in
27 kindergarten and grades 1 to 12, inclusive.

28 (10) Gifted and talented education programs, as measured by
29 enrollment in kindergarten and grades 1 to 12, inclusive.

30 ~~SEC. 3.~~

31 *SEC. 4.* Section 42238.41 of the Education Code is repealed.

32 ~~SEC. 4.~~

33 *SEC. 5.* Section 42238.43 of the Education Code is repealed.

34 ~~SEC. 5.~~

35 *SEC. 6.* Section 42238.44 of the Education Code is repealed.

36 ~~SEC. 6.~~

37 *SEC. 7.* Section 42238.445 of the Education Code is repealed.

38 ~~SEC. 7.~~

39 *SEC. 8.* Section 42238.45 of the Education Code is repealed.

~~SEC. 8.~~

SEC. 9. Section 42238.45 is added to the Education Code, to read:

42238.45. (a) Commencing with the 2007–08 fiscal year, the Superintendent shall compute an equalization adjustment for each school district, so that the base revenue limit per unit of average daily attendance for a district for the previous fiscal year is not less than the base revenue limit per unit of average daily attendance for the prior fiscal year above which fall not more than 10 percent of the total statewide units of average daily attendance for all school districts.

(b) The Superintendent shall compute a revenue limit equalization adjustment for the base revenue limit per unit of average daily attendance for each school district as follows:

(1) Multiply the amount computed for the school district pursuant to subdivision (a) by the total average daily attendance used to calculate the revenue limit for the current fiscal year for the district.

(2) Divide the amount appropriated for purposes of this section for the current fiscal year by the statewide sum of the amount computed pursuant to paragraph (1).

(3) Multiply the amount computed for the school district pursuant to subdivision (a) by the amount computed pursuant to paragraph (2).

(c) (1) For the purposes of this section, the statewide 90th percentile base revenue limit for the prior fiscal year determined pursuant to subdivision (a), and the fraction computed pursuant to paragraph (2) of subdivision (b) for the second principal apportionment of the prior fiscal year, shall be final, and shall not be recalculated at subsequent apportionments. The fraction computed pursuant to paragraph (2) of subdivision (b) shall not, under any circumstances, exceed 1.00.

(2) For the purposes of computing the target amounts pursuant to subdivision (a), the Superintendent shall count all charter school average daily attendance toward the average daily attendance of the school district that is the chartering agency.

~~SEC. 9.~~

SEC. 10. Section 42238.46 of the Education Code is repealed.

SEC. 11. Section 42238.46 is added to the Education Code, to read:

1 42238.46. (a) As specified in clause (ii) of subparagraph (A)
2 of paragraph (2) of subdivision (c) of Section 42238, the county
3 superintendent of schools shall add the amount calculated
4 pursuant to paragraph (2) of subdivision (b), if applicable, to the
5 sum of the revenue limits for each grade span included within a
6 school district to arrive at the total revenue limit for a school
7 district. However, the amount added to the revenue limit of a
8 school district pursuant to this section shall be reduced, or
9 eliminated, if applicable, to the extent that the additional amount
10 would result in the revenue limit of the school exceeding the
11 equalization target calculated pursuant to subdivision (a) of
12 Section 42238.45.

13 (b) If the revenue limit of a school district is lower than the
14 equalization target calculated pursuant to subdivision (a) of
15 Section 42238.45, then the county superintendent shall compare
16 the actual average daily attendance of the school district in the
17 second previous school year to the actual average daily
18 attendance of the school district in the previous school year. If
19 the average daily attendance of the school district declined
20 during that period, then the county superintendent shall perform
21 the following calculations:

22 (1) Calculate the product of both of the following:

23 (A) The lesser of the decline in actual average daily
24 attendance of the school district from the second previous school
25 year to the previous school year or 5 percent of the actual
26 average daily attendance of the school district during the second
27 previous school year.

28 (B) The base revenue limit of the school district for the
29 previous fiscal year.

30 (2) Divide the product calculated in paragraph (1) by the
31 weighted actual average daily attendance of the school district
32 for the previous school year. For purposes of this paragraph, the
33 weighted actual average daily attendance for a school district
34 shall be equal to the sum of the weighted average actual daily
35 attendance for each grade span included within the district
36 pursuant to Section 42238. For purposes of this paragraph, the
37 weighted actual average daily attendance for a grade span shall
38 be equal to the product of the actual average daily attendance for
39 that grade span in the previous school year and the appropriate

1 *weighting factor for the grade span pursuant to subdivision (g) of*
2 *Section 42238.*

3 *SEC. 12. Article 2 (commencing with Section 54020) of*
4 *Chapter 1 of Part 29 of the Education Code is repealed.*

5 *SEC. 13. Article 2 (commencing with Section 54020) is added*
6 *to Chapter 1 of Part 29 of the Education Code, to read:*

7
8 *Article 2. Economic Impact Aid*
9

10 *54020. (a) The Superintendent shall allocate economic*
11 *impact aid to each school district that shall be the greater of the*
12 *amount calculated pursuant subdivision (b) or Section 54021.*

13 *(b) A school district shall, at a minimum, receive funds based*
14 *on the total amount of economically disadvantaged pupils and*
15 *English language learners in the district, together known as*
16 *economic impact aid-eligible pupils, according to the following*
17 *schedule:*

18

<i>Number of economic impact</i>	<i>Amount</i>
<i>aid-eligible pupils</i>	
<i>0</i>	<i>None</i>
<i>1-20</i>	<i>\$5,500</i>
<i>21 or more</i>	<i>\$8,300</i>

24

25 *54021. (a) For the 2006–07 fiscal year, each school district*
26 *shall receive the amount of economic impact aid calculated by*
27 *the Superintendent according to all of the following, if greater*
28 *than the amount calculated pursuant to Section 54020:*

29 *(1) The sum of the number of economically disadvantaged*
30 *pupils in the school district pursuant to the 2004–05 school year*
31 *state calculation for Title I of the federal No Child Left Behind*
32 *Act of 2001 (P.L. 107-110) and the number of English language*
33 *learners in the school district in the 2004–05 school year.*

34 *(2) The quotient equal to the average daily attendance*
35 *reported by the school district for the 2004–05 school year*
36 *divided by two.*

37 *(3) If the number equal to the sum calculated in paragraph (1)*
38 *less the quotient calculated in paragraph (2) is greater than zero,*
39 *multiply that difference by 0.5 and add that product to the sum*
40 *calculated in paragraph (1).*

1 (4) Divide the total amount of economic impact aid funding
2 received in the 2005–06 fiscal year by the number calculated in
3 paragraph (3), or in paragraph (1) if paragraph (3) is not
4 applicable.

5 (5) Add to the quotient calculated in paragraph (4) the
6 inflation adjustment equal to the product of the following:

7 (A) The 2005–06 fiscal year per pupil amount of economic
8 impact aid above which fall not more than 10 percent of the total
9 statewide economic impact aid-eligible pupil counts.

10 (B) The percentage change specified in paragraph (2) of
11 subdivision (b) of Section 42238.1.

12 (6) Add the equalization adjustment calculated for the school
13 district pursuant to Section 54022, if applicable, to the sum
14 calculated in paragraph (5).

15 (7) Multiply the sum calculated in paragraph (6), or
16 paragraph (5) if paragraph (6) is not applicable, by the
17 economic impact aid-eligible pupil count for the school district
18 for the 2005–06 school year to calculate the total economic
19 impact aid for the school district for the 2006–07 fiscal year.
20 For purposes of this paragraph, the economic impact aid-eligible
21 pupil count for the school district for the 2005–06 school year
22 shall be calculated pursuant to paragraphs (1) to (3), inclusive,
23 with the school year references in those paragraphs being the
24 2005–06 school year, rather than the 2004–05 school year.

25 (b) For the 2007–08 fiscal year and each fiscal year
26 thereafter, each school district shall receive the amount of
27 economic impact aid calculated by the Superintendent according
28 to all of the following, if greater than the amount calculated
29 pursuant to Section 54020:

30 (1) Determine the total economic impact aid for the school
31 district for the prior fiscal year. If the prior fiscal year is the
32 2006–07 fiscal year, this amount shall be equal to the product
33 calculated pursuant to paragraph (7) of subdivision (a). If the
34 prior fiscal year is the 2007–08 fiscal year or a fiscal year
35 thereafter, this amount shall be equal to the product calculated
36 pursuant to paragraph (4) for the prior fiscal year.

37 (2) Add to the number determined in paragraph (1) the
38 inflation adjustment equal to the product of the following:

1 (A) *The prior fiscal year per pupil amount of economic impact*
2 *aid above which fall not more than 10 percent of the total*
3 *statewide economic impact aid-eligible pupil counts.*

4 (B) *The percentage change specified in paragraph (2) of*
5 *subdivision (b) of Section 42238.1.*

6 (3) *Add the equalization adjustment calculated for the school*
7 *district pursuant to Section 54022, if applicable, to the sum*
8 *calculated in paragraph (2).*

9 (4) *Multiply the sum calculated in paragraph (3), or*
10 *paragraph (2) if paragraph (3) is not applicable, by the*
11 *economic impact aid-eligible pupil count for the school district*
12 *for the prior school year to calculate the total economic impact*
13 *aid for the school district for the current fiscal year. For*
14 *purposes of this paragraph, the economic impact aid-eligible*
15 *pupil count for the school district for the prior school year shall*
16 *be calculated pursuant to all of the following:*

17 (A) *The sum of the number of economically disadvantaged*
18 *pupils in the school district pursuant to the prior school year*
19 *state calculation for Title I of the federal No Child Left Behind*
20 *Act of 2001 (P.L. 107-110) and the number of English language*
21 *learners in the school district in the prior school year.*

22 (B) *The quotient equal to the actual average daily attendance*
23 *for the district for the prior school year divided by two.*

24 (C) *If the number equal to the sum calculated in subparagraph*
25 *(A) less the quotient calculated in subparagraph (B) is greater*
26 *than zero, multiply that difference by 0.5 and add that product to*
27 *the sum calculated in subparagraph (A). If the number equal to*
28 *the sum calculated in subparagraph (A) less the quotient*
29 *calculated in subparagraph (B) is less than zero, the final*
30 *calculation for this paragraph is equal to the sum calculated in*
31 *subparagraph (A).*

32 54022. *For the 2006–07 fiscal year and each fiscal year*
33 *thereafter, the Superintendent shall calculate an equalization*
34 *adjustment for each school district as follows:*

35 (a) *Calculate the per pupil economic impact aid amount above*
36 *which fall not more than 10 percent of the total statewide*
37 *economic impact aid-eligible pupil counts.*

38 (b) *Calculate the difference equal to the number calculated in*
39 *subdivision (a) less the total economic impact aid amount for the*
40 *school district for the current fiscal year. If the difference is*

1 greater than zero, multiply the economic impact aid pupil count
2 for the school district for the current school year by that
3 difference and add this product to the total economic impact aid
4 amount for the district.

5 (c) Multiply the amount calculated pursuant to subdivision (b),
6 if applicable, by the available funds factor to equal the total
7 equalization funding a school district shall receive for the
8 current fiscal year pursuant to this article. For purposes of this
9 section, the available funds factor is equal to the funds available
10 for equalization pursuant to this section divided by the sum of the
11 amounts calculated pursuant to subdivision (b) for all school
12 districts.

13 54023. The state board may, pursuant to Article 3
14 (commencing with Section 33050) of Chapter 1 of Part 20, waive
15 any statutory provision or regulation regarding the use of funds
16 apportioned pursuant to this article, provided that the funds are
17 used in the same schools, or in schools in similar need, and the
18 district demonstrates a reasonable case that the waiver will
19 improve pupil services in those schools.

20 54024. School districts shall not expend economic impact aid
21 funds at schoolsites that do not have English language learners
22 or economically disadvantaged pupils. Economic impact aid
23 funds shall:

24 (a) Be utilized to serve and to assist those pupils.

25 (b) Supplement, and not supplant, existing resources at the
26 schoolsite.

27 54025. (a) For purposes of this article, economically
28 disadvantaged pupils shall be defined in the same manner as the
29 state defines pupils for purposes of its calculation of pupils under
30 paragraph (5) of subsection (a) of Section 6313 of Title 20 of the
31 United States Code, which is part of Title I of the federal No
32 Child Left Behind Act of 2001 (P.L. 107-110).

33 (b) For purposes of this article, English language learners
34 shall have the same meaning as pupils of limited English
35 proficiency, as identified pursuant to Section 52163.

36 SEC. 14. Article 4 (commencing with Section 54040) of
37 Chapter 1 of Part 29 of the Education Code is repealed.

38 SEC. 15. Section 62000.2 of the Education Code is amended
39 to read:

1 62000.2. The following programs shall sunset on June 30,
2 1987:
3 (a) Miller-Unruh Basic Reading Act of 1965.
4 (b) School improvement program.
5 ~~(e) Economic impact aid.~~
6 ~~(d)~~
7 (c) Bilingual education.
8 *SEC. 16. If this act is chaptered prior to July 1, 2006,*
9 *Sections 12 to 14, inclusive, shall not become operative until July*
10 *1, 2006.*

O